APPENDIX

A. The Relevant Statutory Provisions

Section 4 (a) and (b) of the Act of March 3, 1927 (44 Stat. 1381, 1382):

> (a) [5 U. S. C. 281c] The rights, privileges, powers, and duties conferred or imposed upon the Commissioner of Internal Revenue and his assistants, agents, and inspectors, by any law in respect of the taxaton, importation, exportation, transportation, manufacture, production, compounding, sale, exchange, dispensing, giving away, possession, or use of beverages, intoxicating liquors, or narcotic drugs, or by the National Prohibition Act, as amended, or any other law relating to the enforcement of the eighteenth amendment, are hereby transferred to, and conferred and imposed upon, the Secretary of the Treasury.
>
> (b) The Secretary of the Treasury is authorized to confer or impose any of such rights, privileges, powers, and duties upon the Commissioner of Prohibition, or any of the officers or employees of the Bureau of Prohibition, and to confer or impose upon the Commissioner of Internal Revenue, or any of the officers or employees of the Bureau of Internal Revenue, any of such rights, privileges, powers, and duties which, in the opinion of the Secretary, may be necessary in connection with internal revenue taxes.[1]

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[1] Subsection (b) has since been incorporated in Section 2606 of the Internal Revenue Code (*supra*, p. 12).

Section 3 (b) of the Act of June 14, 1930 (46 Stat. 585, 586; 5 U. S. C. 282b (b)):

> The Secretary of the Treasury is authorized to confer or impose any of the rights, privileges, powers, and duties in respect of narcotic drugs enumerated in subdivision (a) of section 4 of the Act entitled "An Act to create a Bureau of Customs and a Bureau of Prohibition in the Department of the Treasury," approved March 3, 1927 (U. S. C., title 5, sec. 281c), upon the Commissioner of Narcotics, or any officer or employee of the Bureau of Narcotics.

B. The Treasury Decisions and Administrative Regulations

The pertinent sections of Treasury Decision 3999 (29 Treasury Decisions, Internal Revenue, 106), issued on March 18, 1927, provide:

> Pursuant to the provisions of the Act of Congress approved March 3, 1927 (Public, No. 751), and in the exercise of authority conferred upon me by that law, there is promulgated hereinafter for the information and guidance of all concerned, the following, to wit:
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> 1. Effective April 1, 1927, there is hereby created in the Department of the Treasury a bureau to be known as the Bureau of Prohibition.
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> * * * * *
>
> INTERNAL-REVENUE STAMPS
>
> The Commissioner of Internal Revenue will issue to the various collectors of internal revenue all internal-revenue stamps of every class pertaining to spirits, wines, malt

liquors, and narcotics, including narcotic order forms, and the collectors of internal revenue will account to the Commissioner of Internal Revenue for the same. The authority to redeem stamps shall rest with the Commissioner of Internal Revenue.

The pertinent sections of Treasury Decision 1 (Treasury Department, Bureau of Narcotics, Regulations No. 5; 3 Fox, *Internal Revenue Regulations*) issued on April 1, 1927, provide:

VI. RIGHTS, PRIVILEGES, POWERS, AND DUTIES CONFERRED AND IMPOSED ON THE COMMISSIONER OF PROHIBITION RELATING TO NARCOTIC DRUGS

(1) There are hereby conferred and imposed upon the Commissioner of Prohibition, subject to the general supervision and direction of the Secretary of the Treasury, all the rights, privileges, powers, and duties conferred or imposed upon the Commissioner of Internal Revenue (and which are transferred to and conferred and imposed upon the Secretary of the Treasury by subdivision (a) of section 4 of the above act of March 3, 1927) by the Harrison Narcotic Act, as amended, or by the act entitled "An Act regulating the manufacture of smoking opium within the United States and for other purposes," approved January 17, 1914, in so far as such rights, privileges, powers, and duties relate to—

* * * * *

(d) The prescribing of forms and order forms under any of the above acts;

* * * * *

VIII. RIGHTS, PRIVILEGES, POWERS, AND DUTIES CONFERRED AND IMPOSED UPON THE COMMISSIONER OF INTERNAL REVENUE

There are hereby conferred and imposed upon the Commissioner of Internal Revenue all the rights, privileges, powers, and duties conferred or imposed upon such officer (and which are transferred to and conferred and imposed upon the Secretary of the Treasury by subdivision (a) of section 4 of the above act of March 3, 1927) by any law, except the rights, privileges, powers and duties conferred or imposed upon any other person by Section IV, V, VI, or VII of this order, but not excepting rights, privileges, powers, and duties relating to internal-revenue taxes where no violation of a law relating to the enforcement of the eighteenth amendment is involved. All regulations and changes in regulations shall be subject to the approval of the Secretary of the Treasury.

The pertinent provisions of Treasury Decision 2 (Treasury Department, Bureau of Narcotics, Regulations No. 5; 3 Fox, *Internal Revenue Regulations*), issued on July 1, 1930, provide:

III. RIGHTS, PRIVILEGES, POWERS, AND DUTIES CONFERRED AND IMPOSED UPON THE COMMISSIONER OF NARCOTICS

(1) There are hereby conferred and imposed upon the Commissioner of Narcotics, subject to the general supervision and direction of the Secretary of the Treasury, all the rights, privileges, powers, and duties conferred or imposed upon the Commissioner of Internal Revenue (and which are transferred to and conferred and imposed

upon the Secretary of the Treasury by subdivision (a) of section 4 of the act of March 3, 1927) by the act of December 17, 1914, as amended, known as the Harrison Narcotic Law, or by the act entitled "An Act regulating the manufacture of smoking opium within the United States and for other purposes," approved January 17, 1914, in so far as such rights, privileges, powers, and duties relate to—

* * * * *

(d) The prescribing of forms and order forms under any of the above acts;

* * * * *

V. RIGHTS, PRIVILEGES, POWERS, AND DUTIES CONFERRED AND IMPOSED UPON THE COMMISSIONER OF INTERNAL REVENUE

There are hereby conferred upon the Commissioner of Internal Revenue all the rights, privileges, powers, and duties conferred or imposed upon such officer (and which are transferred to and conferred and imposed upon the Secretary of the Treasury by subdivision (a) of section 4 of the act of March 3, 1927) by any narcotic law, except such rights, privileges, powers, and duties as are hereinbefore conferred or imposed upon the Commissioner of Narcotics.

Treasury Decision 4884 (35 Treasury Decisions, Internal Revenue, 40), issued on February 11, 1939, provides:

All regulations (including all Treasury decisions), prescribed by, or under authority duly delegated by, the Secretary of the Treasury, applicable under any provision of law on the date of the enactment of the internal-revenue code, to the extent such provision of law is superseded by the code,

are hereby prescribed under, and made applicable to, the provisions of the code corresponding to the provision of law so superseded, insofar as any such regulation is not inconsistent with the code.

These regulations are issued under authority of the provisions of sections 1928, 2559 and 2606 of the internal-revenue code and under such other provisions of the code as correspond with the several provisions of law under which any regulation or Treasury decision hereby prescribed and made applicable was issued.

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